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LAW

WE KNOW THE POWER OF PLANNING

LONG-TERM CARE PLANNING GUIDE



We help you make informed decisions to maximize your assets and minimize the financial and emotional burden on the people you love the most.

At Tupper Butler Law, we help families prepare for the unique concerns that arise when their loved ones reach the later stages of life. Seniors eventually experience declining health, and we help the entire family navigate and prepare for long-term care to avoid a financial crisis. Long-term care planning is a personal calling for founding attorney Michelle Tupper Butler, who managed her father's care after a spinal cord injury suddenly left him paralyzed. She has extensive experience and legal expertise in finding the best way to protect assets when incapacitated, planning end-of-life care, and passing a legacy to heirs after death. This eBook discusses ways to cover long-term care costs while preserving a primary residence and other valuable property for the next generation.



What is Long-Term Care Planning?

Like most people, seniors tend to procrastinate or avoid long-term care planning due to unpleasant associations with illness and death. Yet a full 70 percent of all seniors will need some type of long-term care during their lifetime. Even if you are healthy today, odds are that you will require long-term care at some point — and the costs of that care can be staggering.

Making the best decisions for the people you love as they age requires understanding what your family could experience if you or another family member faced extensive long-term care needs. Long-term care planning involves educating you about options and preparing personalized legal documents to ensure coverage of potentially extensive medical costs while preserving your money, assets, income, and personal wishes for care.



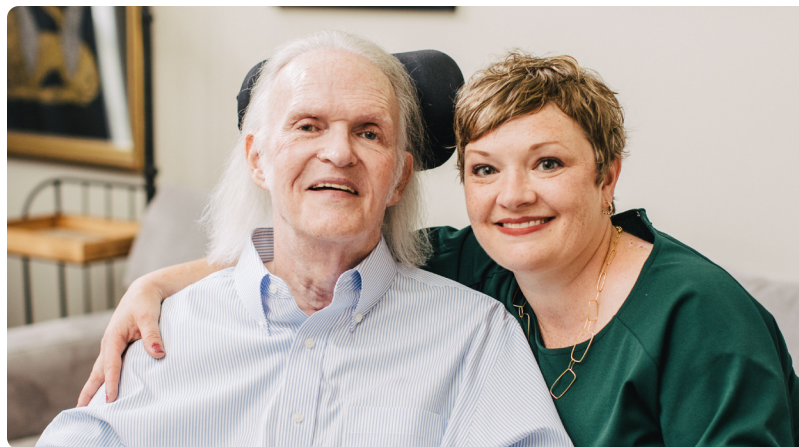
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You may feel it's too soon to discuss long-term care and the complicated framework of how to qualify for government programs if you ever need skilled nursing care. But we best protect our families by planning BEFORE a crisis – while we are healthy – to communicate our wishes and take steps to preserve our resources. Proactively planning for long-term care needs can liberate you from worry while minimizing the financial and emotional burden on your family. The time and investment in working with an elder law attorney is a fraction of the cost and emotional investment of finding and paying for care without a plan in place.

We all know that none of us is immortal. At Tupper Butler Law, we also know firsthand that accidents and illnesses can happen anytime. Waiting until crisis strikes could leave you or your loved ones making critical decisions in times of duress – and at a much higher expense.

Thankfully, people are living longer today than ever before, but often this leaves families facing financial hardship with unexpected significant long-term care expenses that jeopardize financial success. Fortunately, there are ways to prepare for these rising costs and protect valuable assets. Even if you find yourself in a crisis and an unexpected move to nursing home care is imminent, there are still ways to reduce the financial impact if you move quickly and correctly with the kind of legal expertise Tupper Butler Law provides.

As we age, it can become increasingly difficult to manage our assets. Most of us will, at some point, need assistance with our financial and



If you're concerned about who will provide your care and the medical expenses that may minimize your loved one's inheritance, reach out to Tupper Butler Law to discuss the following services:

- Long-Term Care Planning
- Proactive Medicaid Planning
- Crisis Care Planning

healthcare needs. Tupper Butler Law is familiar with the state-specific laws of Kentucky to equip you with long-term care planning that works. We create personalized long-term care strategies based on in-depth knowledge of public benefit programs, which ones may apply to your situation, and how to qualify quickly. We can prepare family members and caretakers when an elderly family member's health suddenly declines or they can no longer make financial and medical decisions for themselves.



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KENTUCKY ANNUAL MEDIAN COST OF CARE (2022)

IN-HOME CARE	COMMUNITY ASSISTED LIVING	NURSING HOME	ADDITIONAL MEMORY CARE
Home Health Aide \$58,916	Assisted Living \$43,260	Semi-Private \$92,108 Private Room \$105,548	\$54,156

Resources: [Genworth](#), [SeniorLiving.org](#)



What Does Long-Term Care Cost?

The cost of different health care services, such as in-home and nursing home care, continues to rise and may greatly impact your savings, your retirement funds, and the assets you plan to pass down to your family.

If these numbers seem overwhelming, Tupper Butler Law can help ease the financial burden of expensive care by educating you on your options. Qualifying for Medicaid may be one way to minimize the long-term care cost burden, but doing so requires strategizing financial reorganization and legal planning that Tupper Butler Law provides clients regularly, enabling them to save tens if not hundreds of thousands of dollars.

Different Levels of Care Include:

Nursing home facilities with residential accommodations and health care for the elderly and disabled (full-time care)

Memory care facilities specifically dedicated to Alzheimer's and dementia patients with residential accommodations (full-time care)

Assisted living facilities for help with daily activities (residential or part-time care)

In-home health care for services given at home instead of a skilled nursing or assisted living facility

Rehabilitation care either in a facility or as an outpatient following illness or injury



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Common Medicaid Myths Debunked

At Tupper Butler Law, we help clients avoid common mistakes people make to protect their finances and explain the truth behind a few common myths about Medicaid eligibility for long-term care costs.

1. “Surely Medicare will pay for nursing home services.”

FALSE. Medicare is an entitlement program for seniors to help with preventative care, outpatient services, and short hospital stays. It does not cover long-term health care in your home or skilled nursing facilities. Only Medicaid does.

2. “But I have to be broke to qualify for Medicaid, so why bother?”

FALSE. While there are income and asset requirements, you don't have to be broke to qualify. Medicaid is a federal and state program with rules that vary from state to state. If you live in Kentucky and need Medicaid, you'll want an attorney who knows Kentucky's Medicaid rules. At Tupper Butler Law, we can guide you through the Medicaid qualification, application, and approval processes.



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3. “I can just give my money to other family members to protect my home and prevent the government from forcing me to spend my assets on long-term care.”

FALSE. Part of the complex Medicaid approval process includes a five-year look-back period at all the gifts you have given without receiving anything of fair market value in return. Many people confuse IRS gift tax rules (an exemption of up to \$17,000 per year per recipient in 2023) with Medicaid eligibility rules. You will be penalized by Medicaid for gifting ANY assets to family members, even if the gift is small enough not to require filing a gift tax return with the IRS.

Even if you are technically eligible for benefits at the time you apply, prior gifts made without understanding the consequences may disqualify you from receiving those benefits for several months or several years. During that time, you will have to cover your own nursing home costs, which can reach over ten thousand dollars each month.



4. “A prenuptial agreement will prevent my assets from being counted when my spouse needs Medicaid to help pay for long-term care.”

FALSE. A prenuptial agreement only separates property in the event of death or divorce. Medicaid will include them as countable assets. The state of Kentucky will not honor that prenuptial agreement, and the assets of the spouse that doesn't need nursing home care are not protected.

Based on this information, you might worry that you could not meet the household income or asset levels to qualify for care. However, no matter your net worth or income, Tupper Butler Law can prepare you for long-term care benefits eligibility and protect your assets with an asset protection trust. By transferring assets into the trust before you potentially need long-term care, we help you reduce countable assets used to determine Medicaid eligibility within the five-year look-back period. In addition, we examine ways to help you through a crisis if the need arises and ensure you understand how to pay for care without depleting all of your resources.



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Don't Make These Common Financial Mistakes When Trying to Protect Assets

If you or a loved one are making financial decisions on behalf of a senior, you may be unaware that some common actions – like adding a name to a deed or a bank account – have unintended legal consequences and may put assets at risk instead of adding protection.



Adding a Person to Your Bank Account

Many seniors add an adult child's name to their bank accounts so their child can pay their bills if ever sick or incapacitated. Though adding a person to your bank account allows someone else to access your money if you need help, you relinquish full control of your account and create unintended consequences. The money becomes exposed to other liabilities related to your child's expenses, divorce or a legal judgment, and debts.

Adding a Person to Your Deed

Adding another person's name to the deed for your home to protect your house from potential long-term care costs introduces the same risks as adding someone to your bank account. Your home may be exposed to that person's bankruptcy, divorce, or judgment. Adding a person to your name on a deed also creates a potentially significant tax bill for them that is otherwise easy to avoid.



Adding a name to your deed also could prevent you from receiving valuable benefits for long-term care under Medicaid rules. With proper planning, you can avoid potential penalties or tax bills while protecting your home from being used to pay for long-term care.

Not Preparing for Long-Term Care Needs

Many seniors mistakenly assume Medicare will cover nursing facility care, then spend all their hard-earned resources on the care they need. With proper planning, you can protect your assets AND receive quality long-term care when you need it. But you need to act while healthy to maximize protection.



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Michelle Butler, founding attorney at Tupper Butler Law, can answer your questions about estate planning, probate, elder law, long-term care planning, and crisis care planning. No matter your age, your health, or your income, and no matter what your family looks like, we help you make informed decisions to maximize your assets and minimize the financial and emotional burden on the people you love the most.

**Contact us today to
schedule an appointment.**



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